

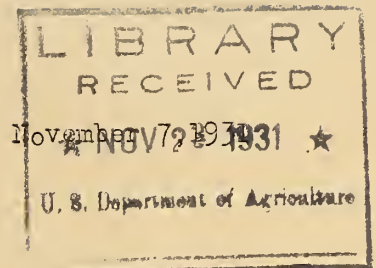
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UNITED STATES DEPARTMENT OF AGRICULTURE
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INDEFINITE CONTRACTS CAUSE COMPLAINTS
UNDER THE PERISHABLE COMMODITIES ACT.



In the enforcement of the Perishable Agricultural Commodities Act the United States Department of Agriculture has been compelled to inform many complainants that they do not have adequate grounds for complaints because the terms of their contracts are so indefinite as to be subject to various interpretations.

Terms such as "good quality," "good color," "good size," in addition to a grade specification as, "U.S. No. 1" confuse the contract and are sometimes inserted for this purpose, say department officials. Where special quality or color is desired, it should be described in terms which have been defined in established grades or, in the case of size, by exact numerical measure or weights to show the minimum desired or by percentages which are to be within a certain range.

Example: Potatoes:- U.S. No. 1 Mature, bright 75% over 2".

This description meets the requirements of the U.S. No. 1 grade, the additional requirements "Mature" and "Bright," both of which terms have been defined for the U.S. Fancy Potato grade, and the extra size requirement expressed in mathematical terms which cannot be misunderstood.

In the case of apples, the specification "Washington Fancy, 50% to show extra fancy color," expresses an extra color requirement in the definite terms of the next higher grade.

In many of the complaints involving rejections which have been filed with the Department, claim has been made that the seller promised many things in the way of quality which did not appear in the confirmation and that rejection is based on failure of the delivery to comply with all of the promises made in the conversation which led up to the sale. The Department has taken the position that a buyer who receives a confirmation, either direct from the seller or through a broker, which is not in accord with his understanding of the sale, and who does not protest at once the terms of such confirmation, does not have reasonable ground for rejection if the commodity meets the specifications as stated by the confirmation even though it may not meet all the representations made by the shipper when the sale was being negotiated.

The Department believes that many of the disagreements which result in complaints under the Perishable Agricultural Commodities Act can be avoided if the foregoing suggestions are observed in making contracts and confirmations.

